

The image features a stack of several books, with the top one being an open Quran showing Arabic script. The books are positioned diagonally across the frame. The background is a warm, golden-brown color with a subtle, wavy texture, resembling a draped fabric or a soft light effect. The overall composition is centered and balanced.

SHARIA COMPLIANT BUSINESS

Basics of a Business

1. **Source of Investment**
2. **Nature of Business**
3. **Partnership or Mudha'araba base.**
4. **Government Laws implementation**
5. **Transaction and contracts with suppliers/vendors/seller.**
6. **Transaction and contracts with distributors and buyers**
7. **Contract of employment and relation with employees**
8. **Administration**
9. **Advertisement**
10. **Bank's contract**
11. **Zakat**



Source of Income

Source of Investment: (a) bank loan, (b) running business
(c) inheritance (d) Mudha'araba.

(a): Bank loan: from interest based financial institutes or Banks are not Shariah Compliant. From Islamic Banks via Murabaha or Salam etc is Sharia Compliant.

(b) Running business: basic source of Capital as mentioned in.

(c) Inheritance: whether predecessor gains it by halal way or Haram.

(d) Mudha'araba: terms and conditions, ratio of profit, fix amount for Rabbul'mal or Mudha'rib is not allowed.

Nature of Business

Based on Islamic rules of trading e.g. textile, cloths etc.

Partnership or Mudha'araba base: terms and condition of partnership basic thing is ratio of profit and liabilities of loans, fix amount of profit is not allowed for anyone form partners. Profit with salary for working partner is permissible not for sleeping partner. Profit ratio of sleeping partner should not exceed from capital ratio.



Government Laws implementation

Government Laws in the light of Shariah e.g. taxation, employment codes, environmental codes and laws etc.

Suppliers/Vendors/Seller

Keep on eye in Murabaha, Ijarah, Istisna'a and Salam with suppliers or vendors. In Murabaha it is problematic when deals with Bank or third party. In Ijarah whether there is any penalty in late paying of rent. Delay payments with suppliers and vendors.

Distributors and Buyers

Status of Buyers whether he is buyer or only agent, in case of agent whether commission is fixed or based on profit ratio. Problematic area is whether buying is by credit or advance payment, in case of credit whether there is any kind of penalty or else. Terms and condition of MOU should be in accordance with Sharia. Khyar e Aib – option of defects mentioned or not, whether do they mention any time line / last date for retuning defected store.

Employees

Contract of employment and relation with employees.

Problematic area:

- (a) Notice payment,**
- (b) late coming deduction, and no overtime for officers/managers/heads/office staff.**
- (c) No overtime for secretaries. Mentally torture on Employees who are Ajeer and after office time (8 or 9 hours) they can get off but in whole industry practice is against Sharia rules and Laws.**
- (d) Respect of Employees.**

ADMIN

contracts with service providers
i.e. gas, transport, machinery,
water etc are in accordance with
Sharia.

ADVERTISEMENT

Avoid Living beings pictures
image or Haram way of
Advertisement, exaggeration in
advertisement.

BANK DEALINGS

conventional banks, Non-
Interest based Banks
(Islamic).

ZAKAT

Fully paid according to
Shariah, Maintain SOP of
Zakat, Calculate Zakat of
Share holders.